

# ARLINGTON HEIGHTS FIREFIGHTERS' PENSION FUND ANNUAL REPORT TO THE VILLAGE BOARD FOR THE 2010 LEVY (FY2012 BUDGET)

Source: Actuarial Valuation as of May 1, 2010, Goldstein & Associates

Actuarial value of assets	60,749,266
Total actuarial liability	(\$95,558,209)
Unfunded actuarial liability*	(34,808,943)
Funded ratio	63.57%
Annual actuarial requirement for FY2012	<u>\$4,459,000</u>
Village contribution as percent of Firefighter participant payroll	45.90%
Projected employee contributions	\$864,115
Employee contribution rate per State Statute	9.455%
Actuarial assumed investment return	7.50%
Actuarial actual investment return	3.40%
Assumed investment return for FY2010	\$4,408,221
Actual Investment return for FY2010	9,619,480
Actuarial investment gain/(loss) smoothed over three years:	
One-third of investment gain/(loss) for fiscal year 2009	\$1,737,086
One-third of investment gain/(loss) for fiscal year 2008	(\$3,659,065)
One-third of investment gain/(loss) for fiscal year 2007	(\$ 496,792)
Total smoothed actuarial gain/(loss)	(\$2,418,771)
Number of active members contributing to the Firefighter Pension Fund	109
Number of inactive members	0
Number of members receiving benefits	86
53 retirement pensions	\$2,898,754
11 survivor pensions	324,619
22 disability pensions	969,439

\*The unfunded actuarial liability represents the difference between the actuarial value of pension fund assets less the actuarial liability. To avoid unnecessary market fluctuations, actuarial assets are determined by applying an assumed rate of investment return and smoothing the gains/(losses) of the last three years. The actuarial liability represents the present value of lifetime benefits earned to date of all plan participants, including current Firefighters. The unfunded actuarial liability is amortized over the years remaining through 2033 when the pension fund is supposed to be 100% funded as per State statutes.

To determine the annual required contribution or pension property tax amount for the Village, the normal cost of the Firefighters' pension plan is added to the amortized value of the fund's unfunded liability. Since the unfunded actuarial liability represents future benefits earned to date paid through 2033, the projected liability is not shown in the Firefighters' Pension Fund balance sheet, but is shown as required supplementary information in the Village's Comprehensive Annual Financial Report.

**Firefighters' Pension Fund Report (page 2)**

The investment policy of the Firefighters' Pension Fund is established in accordance with Illinois State Statutes, 40 ILCS 5/1-113.2-4, and is available upon request. The attached pie chart depicts the fund's assets as of April 30, 2010, the most recent audited fiscal year-end.

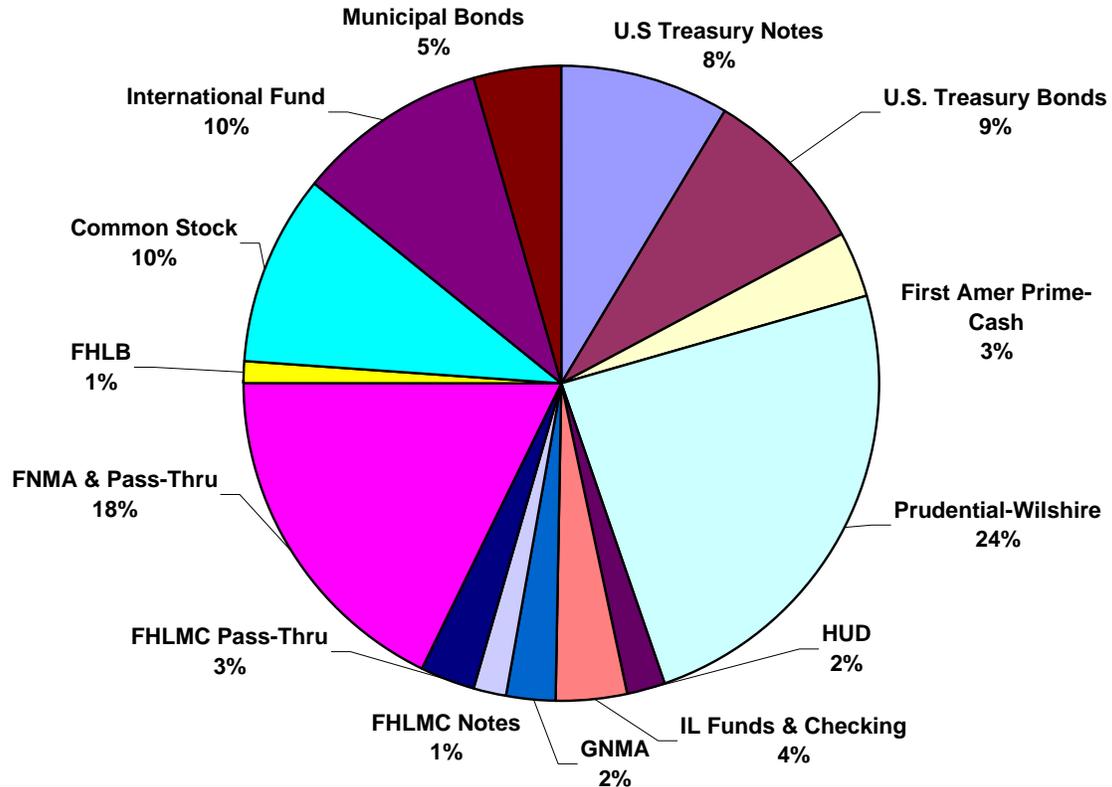
**CERTIFICATION:**

I, Carl A. Brandon JR., President of the Firefighters' Pension Board, Village of Arlington Heights, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/4-134.

Witness my hand this 5 day of October, 2010.

Carl A. Brandon JR., President  
Arlington Heights Firefighters' Pension Board

**Fire Pension Fund  
Open Investments (Market Value)  
Period Ending April 30, 2010**



U.S Treasury Notes	5,142,513.50
U.S. Treasury Bonds	5,304,587.87
First Amer Prime-Cash	1,950,716.81
Prudential-Wilshire	14,584,298.93
HUD	1,131,705.75
IL Funds & Checking	2,213,032.31
GNMA	1,499,158.96
FHLMC Notes	1,085,000.00
FHLMC Pass-Thru	1,640,455.41
FNMA & Pass-Thru	10,693,901.21
FHLB	697,534.50
Common Stock	5,809,828.47
International Fund	5,837,130.65
Municipal Bonds	2,744,998.07
<b>Total</b>	<b>60,334,862.44</b>